

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4625
Order Date: June 27, 2013
Application Reference Number: pAXK1315457573

Apache Corporation
303 Veterans Airpark Lane, Ste 3000
Midland, TX 79705

Attention: Reesa Holland Fisher

M&M Well No. 5
API No: 30-025-38112
Unit C, Section 24, Township 20 South, Range 38 East, NMPM
Lea County, New Mexico

| | | | |
|--------|----------------------|-----|-------|
| Pool | BLINEBRY OIL AND GAS | Oil | 6660 |
| Names: | WARREN; TUBB, EAST | Oil | 87085 |
| | D-K; ABO | Oil | 15200 |

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore. Two of the subject pools are pre-approved for commingling under 19.15.12.11E NMAC but are not pre-approved for the commingling with the D-K, Abo pool. This administrative order replaces the existing order DHC-HOB-186 issued by District I on April 26, 2000, for the pre-approved pools.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

| | | |
|-------------------------------|-------------|-------------|
| BLINEBRY OIL & GAS (OIL) POOL | Pct Gas: 52 | Pct Oil: 40 |
| WARREN; TUBB, EAST (OIL) POOL | Pct Gas: 31 | Pct Oil: 29 |
| D-K; ABO (OIL) POOL | Pct Gas: 17 | Pct Oil: 31 |

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District